TAKE STOCK WITH RED ROCK

Our quarterly newsletter

FOCUS FINANCIAL®
RED ROCK GROUP

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OFFICE ANNOUNCEMENTS

Congratulations to Aaron!
Aaron has officially earned his Certified Financial Planner™ (CFP®) certification. This significant achievement reflects his dedication to professional excellence and delivering exceptional service to clients. Congratulations, Aaron!

Welcome, Baby Jack!
Congratulations to Debbie and her husband, Chris, on the arrival of their third baby boy, Jack Alexon on June 19, 2026! We wish the entire family many wonderful moments as they welcome their newest little one.

A New Addition for the Arland Family
Congratulations to Jackson and his wife, Sophie, who welcomed their third child, a daughter, Georgia Arland on April 8, 2026. Wishing their family all the best as they enjoy this exciting new chapter together.

DEPOSIT CHECKS USING SCHWAB MOBILE DEPOSIT

Make sure you download the Schwab Mobile app so you can easily deposit checks into your brokerage and retirement accounts. It's a fast and secure way to deposit funds and saves you time by eliminating the need to mail checks to our office.

How to deposit a check:

1. Open the Schwab Mobile app and select deposit check from the home screen.
2. Choose the appropriate account (if you have multiple) and enter the check amount. If making a contribution into an IRA, make sure to select the correct tax year.
3. Take clear photos of the front and back of your endorsed check.
4. Review your information and tap deposit.
5. Hold onto your check until Schwab confirms the deposit is complete.

For an easy step-by-step video guide, visit our website. Click on About Us > How-To Videos.

DO OUR BIASES AFFECT OUR FINANCIAL CHOICES?

Investors are routinely warned about allowing their emotions to influence their decisions. However, they are not often cautioned about their preconceptions and biases that may color their financial choices. In a battle between facts & biases, our biases may win. If we acknowledge this tendency, we may be able to avoid some unexamined choices when it comes to personal finance. It may actually “pay” to recognize blind spots and biases when investing. Here are some common examples of bias creeping into our financial lives.

LETTING EMOTIONS RUN THE SHOW.

How many investment decisions do we make that have a predictable outcome? Hardly any. In retrospect, it is easy to value the gain from a decision over the wisdom behind it, and to assume that the decisions with the best outcomes were the best decisions (not necessarily true). Put some distance between your impulse to make a change and the action itself to help get some perspective on how your emotions affect your investment decisions.

VALUING FACTS WE “KNOW” & “SEE” MORE THAN “ABSTRACT” FACTS.

Information that seems abstract may seem less valid or valuable than information related to personal experience. This holds true when we consider different types of investments, the state of the markets, and the economy’s health.

VALUING THE LATEST INFORMATION MOST.

The latest news is often more valuable than old news in the investment world. But when the latest news is consistently good (or consistently bad), memories of previous market climate(s) may fade. If we are not careful, our minds may subconsciously dismiss the eventual emergence of the next market cycle.

BEING OVERCONFIDENT.

The more experienced we are at investing, the more confidence we tend to have in our investment choices. When the market is going up, and most of our investment choices work out well, this reinforces our confidence, sometimes to a point where we may start to feel we can do little wrong, thanks to the state of the market, our investing acumen, or both. This can be dangerous.

THE HERD MENTALITY.

You know how this goes: if everyone is doing something, they must be doing it for sound and logical reasons. The herd mentality leads some investors to buy high (and sell low). It can also promote panic selling, and the advent of social media hasn’t helped with this idea. Above all, it encourages market timing, and trying to time the market can hurt overall performance.

Sometimes, it helps to ask ourselves what our certainty is based on and to reflect on our own biases. Examining our preconceptions may help us as we invest.

INTRODUCING THE 530A ACCOUNTS

In 2026, families across the United States will gain access to a new financial tool designed to enhance their children's financial futures: the 530A account, commonly known as "Trump Accounts."

WHAT IS A 530A ACCOUNT AND WHO CAN OPEN ONE?

The 530A account was introduced under the OBBB Act. Accounts are available for all American children under age 18. The federal government plans a $1,000 contribution to each account for children born between 1/1/25, and 12/31/28, through a pilot program.

OPENING A 530A ACCOUNT

Parents, legal guardians, adult siblings, or grandparents can open a 530A account for eligible children by submitting Internal Revenue Service (IRS) Form 4547 with your tax return or going to www.trumpaccount.com.

To establish the account, the minor must possess a Social Security number and be under 18 years old as of December 31 of the year the account is opened. Each child is permitted only one account.

AVAILABILITY AND CONTRIBUTION GUIDELINES

530A accounts will become available in 2026, with contributions commencing after July 4, 2026. Contribution limits are $5,000 per child per year. This limit includes contributions from parents, families, and up to $2,500 from employees and other organizations.

INVESTMENT AND WITHDRAWAL REGULATIONS

Investments must adhere to the criteria set by the U.S. Treasury Department. The account is subject to the same required minimum distribution (RMDs) rules as a traditional IRA. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.

HOW MUCH COULD YOUR CHILD'S ACCOUNT BE WORTH AT AGE 18?

530A Account Growth Example	Values
Annual Contribution	$5,000/year
Assumed Annual Return	8%
Federal Seed Deposit	$1,000
Projected Value at Age 18	$191,247
Total Contributions	$91,000
Investment Growth	$100,247

This is a hypothetical example used for illustrative purposes only. It is not representative of any specific investment or combination of investments. Actual results will vary. Contributions are subject to annual limits and eligibility requirements. Past performance is not a guarantee of future results.

CAN IT BE CONVERTED TO A ROTH IRA?

Yes. The initial guidance indicates Roth conversions can start in the year the individual turns age 18.

The Roth IRA owner is not required to take minimum annual withdrawals. Plus, Roth distributions must meet a five-year holding period and occur after age 59½ to qualify for the tax-free and penalty-free withdrawal of earnings. In certain other circumstances, tax-free and penalty-free withdrawal can also be taken, such as following the owner's death.

The IRS and Treasury Department are still finalizing guidance for these accounts. Information shared in this article is subject to change.

“Trump accounts” may not be right for everyone, but they may be worth exploring. Let's discuss what role a 530A account can play in your future.

MAKING A CHARITABLE CONTRIBUTION

WHY SELL SHARES WHEN YOU CAN GIFT THEM? If you own appreciated stocks in your portfolio, you might want to consider donating those shares to charity rather than selling them.

Donating appreciated securities to a qualified charitable organization can be a tax-efficient way to support a cause you care about while potentially reducing your tax liability. If you have held the stock for more than one year, you may be eligible to claim a charitable deduction equal to the stock's fair market value at the time of the donation, subject to applicable IRS rules and limitations. In addition, if the receiving charity is tax-exempt, it generally can sell the shares without paying capital gains tax.

There are several situations in which donating appreciated stock may be particularly attractive. For example, you may hold company stock or other investments that have increased significantly in value over time. Rather than selling those shares and realizing a taxable gain, you may be able to transfer them directly to a qualified charity. By doing so, you can support the organization while potentially avoiding the capital gains taxes resulted from a sale.

By contrast, if you sell appreciated stock held in a taxable account and then donate the cash proceeds, you may owe capital gains tax on the appreciation. That tax liability can reduce the overall value of your charitable gift and diminish some of the tax advantages associated with giving.

WHEN IS DONATING CASH A CHOICE TO CONSIDER? Cash donations can still be an effective and straightforward way to support charitable organizations. In many cases, cash gifts are deductible up to 60% of your adjusted gross income, although individual circumstances may vary. Donors should also consider the impact of both federal and state tax rules when evaluating their charitable giving strategies.

On the other hand, donating depreciated stock may not provide the same benefits as donating appreciated securities. If you contribute shares that have declined in value, your charitable deduction is generally limited to the stock's current fair market value, not the amount you originally paid for it. In some cases, it may be more advantageous to sell the shares, realize the capital loss, and then donate the proceeds.

IMPORTANT DOCUMENTATION AND TAX CONSIDERATIONS Before making a charitable contribution, be sure to understand the applicable tax rules. If you are considering a gift of appreciated stock, review IRS Publication 526, Charitable Contributions, and confirm that the organization qualifies as a tax-exempt nonprofit under federal tax law. To claim a deduction, you must itemize deductions and report the contribution on Schedule A of your Form 1040.

For any charitable contribution of $250 or more, you must obtain written acknowledgment from the charity. The acknowledgment should describe the donation, state its value, and indicate whether you received any goods or services in exchange for the contribution.

If your total deduction for non-cash charitable contributions exceeds $500 in a tax year, you generally must complete and attach Form 8283, Noncash Charitable Contributions, to your federal tax return. Additional documentation requirements may apply for larger gifts. For example, donations of property valued at more than $5,000 may require a qualified appraisal and supporting documentation for the IRS.

Donating cash, stocks, or other assets can help support the organizations that matter most to you. Keep in mind that tax rules are constantly being adjusted, and there's a possibility that the current rules may change. Make certain to consult your tax and legal professionals before starting a new gifting strategy.

CYBERSECURITY TRAVEL BEST PRACTICES

Whether you’re traveling across the country or around the world, taking a few simple cybersecurity precautions can help protect your personal and financial information while you’re away. Vacation often means relying on public Wi-Fi, using ATMs in unfamiliar places, and sharing memorable moments online—all of which can create opportunities for cybercriminals. Before you pack your bags, review these practical tips to help keep your accounts, devices, and personal information secure throughout your trip.

- Alert your bank and credit card companies of your travel plans, especially for international travel.
- Save your bank and credit card contact information to your phone; in the event they are lost or stolen and need to be canceled.
- Save digital copies of important documents, medical information and credit and debit cards to a secure photo storage app in case they are lost while traveling.
- Consider using a credit card or payment app like Google wallet or Apple Pay whenever possible.
- Understand your credit card's insurance-related perks and consider travel insurance.
- Be cautious of your surroundings when using an ATM and check for skimming devices.
- Consider an RFID blocker for your credit and debit cards. RFID blockers are designed to prevent unauthorized radio-frequency identification (RFID) scanning of credit and debit cards.
- If not already in place, set up security alerts for your credit and debit cards and sensitive accounts.
- Be careful sharing your travel plans and photos on social media until you return; criminals may target your home if they know you are away.
- Make sure your phone and other devices have a password and lock screen enabled.
- Know how to track your phone and devices while traveling.
- Be cautious of free Wi-Fi or use a mobile hotspot.
- Do not use standalone USB ports; bring your own charging battery packs.
- Be cautious when handing someone your phone for a picture.

For international travel:

- Order currency for the country you're visiting before leaving, but do not carry too much cash.
- Understand if your credit or debit card charges for international transactions or using local ATMs.
- Enroll in the U.S. State Department’s STEP program. STEP is free and allows U.S. citizens traveling abroad to receive important safety updates in the destination country and helps the US Embassy and family contact you in case of an emergency.

Enjoy your travels with the confidence that comes from being prepared. By notifying your financial institutions of your travel plans, limiting what you share on social media, staying aware of your surroundings when using ATMs, and securing your phone with a lock screen, you can reduce your risk and focus on making lasting memories. A few small precautions today can help prevent major headaches tomorrow.

Q2 MARKET & ECONOMIC REVIEW

Q2 of 2026 demonstrated an important lesson for investors: markets can continue to advance even when uncertainty dominates the headlines. Persistent inflation concerns, heightened geopolitical tensions, high energy prices, and evolving expectations for Federal Reserve policy all contributed to periods of market volatility. Despite these headwinds, U.S. equities recovered from a difficult first quarter and continued their longer-term upward trend, leaving the major market indices higher after the first half of the year.

Led by strong corporate earnings, a resilient U.S. economy, and continued enthusiasm for artificial intelligence (AI) and technological innovation, equity markets made new highs during the quarter. Both the S&P 500 and Dow Jones Industrial Average (DJIA) indexes experienced healthy gains as the S&P 500 closed the quarter up 14.4% and the DJIA gained approximately 12.8%. In the first half of 2026, the S&P 500 has gained 9.6%, and the Dow has advanced 8.9%.

One of the most important drivers of equity markets is the direction of corporate America – and it continued to deliver solid results. According to FactSet, on June 26, the estimated year-over-year growth for S&P 500 companies is 23.1%, which would mark the seventh consecutive quarter of double-digit earnings increases and the second-straight quarter of earnings growth over 20%.

The energy sector was among the largest contributors to market volatility. West Texas Intermediate (WTI) crude oil experienced a 74% volatility rate as it swung between the high $60s and the low $120s per barrel during the quarter. Meanwhile, the U.S. labor market continued to demonstrate resilience as the U.S. Bureau of Labor Statistics stated the unemployment rate remained steady at 4.3% in May.

Overall, Q2 reinforced an important investment principle: while headlines often create short-term market volatility, long-term market performance is ultimately driven by healthy, long-term focused fundamentals. While volatility remains a normal part of investing, the quarter reinforced the importance of focusing on long-term fundamentals rather than reacting to short-term market noise. As financial professionals, our role is to closely monitor market developments and help ensure your portfolio remains aligned with your broader financial goals.

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GIFT A 20-MINUTE ASK ANYTHING SESSION

Anyone you refer can hop on a quick, free call with us to ask any financial questions on their mind.

HOW TO REFER

Click "Refer a Friend" at the top of our website or scan the QR code to share your referral and we'll take it from there!

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